

Introduced by Senator Corbett

February 23, 2012

An act to repeal and add Section 5096.517 of the Public Resources Code, relating to state lands.

LEGISLATIVE COUNSEL'S DIGEST

SB 1266, as introduced, Corbett. Resource conservation lands: appraisal process.

Existing law authorizes various state agencies to acquire land for purposes related to conservation, and requires an acquisition agency, as defined, where an agency proposes to spend more than \$25,000,000 of state funds, to contract for at least one independent appraisal of the fair market value of the land. Existing law requires the Department of General Services, prior to any action by an acquisition agency to approve a major acquisition of conservation lands, to contract for at least one independent appraisal of the fair market value of the land. Existing law further requires the department to convene a workgroup to develop and adopt standards, subject to the approval of the Natural Resources Agency, with respect to the acquisition of conservation lands concerning the appraisal process, availability of appraisal information, and valuation for purposes of a charitable contribution, as prescribed.

This bill would repeal those provisions requiring the department to convene a workgroup and would instead require that, in addition to any other requirements or standards prescribed by law, appraisal reports prepared for the acquisition of any land or interest therein by or with funding from an acquisition agency, as defined, include specified information, and meet specified requirements to be considered for appraisal review by the state.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5096.517 of the Public Resources Code
2 is repealed.
3 ~~5096.517.—(a) The Department of General Services shall~~
4 ~~convene a workgroup to develop and adopt standards, subject to~~
5 ~~the approval of the Resources Agency, with respect to the~~
6 ~~acquisition of conservation lands. The workgroup shall not exceed~~
7 ~~six members and shall include, but not be limited to, representatives~~
8 ~~from all of the following:~~
9 ~~(1) The Department of Parks and Recreation.~~
10 ~~(2) The Wildlife Conservation Board.~~
11 ~~(3) The State Coastal Conservancy and one or more other state~~
12 ~~conservancies with land acquisition responsibilities.~~
13 ~~(b) The workgroup shall hold a public hearing to solicit public~~
14 ~~comments prior to the adoption of standards pursuant to subdivision~~
15 ~~(a).~~
16 ~~(c) In developing standards for the appraisal of resource~~
17 ~~conservation acquisitions, including both direct and state-funded~~
18 ~~grant acquisitions, the Department of General Services and the~~
19 ~~workgroup shall consider, by January 1, 2010, all of the following:~~
20 ~~(1) Qualifications of the appraiser, including, but not limited~~
21 ~~to, all of the following:~~
22 ~~(A) The appraiser shall not engage in any appraisal activity in~~
23 ~~connection with the purchase, sale, transfer, financing, or~~
24 ~~development of real property if his or her compensation is~~
25 ~~dependent on or affected by the value determined by the appraisal.~~
26 ~~(B) The appraiser shall be appropriately licensed by the Office~~
27 ~~of Real Estate Appraisers pursuant to Part 3 (commencing with~~
28 ~~Section 11300) of Division 4 of the Business and Professions Code.~~
29 ~~(C) The appraisal shall be performed pursuant to the Uniform~~
30 ~~Standards of Professional Appraisal Practice.~~
31 ~~(D) Any additional qualifications regarding education,~~
32 ~~certification, and years of experience deemed to be necessary by~~
33 ~~the Department of General Services and the workgroup.~~
34 ~~(E) This paragraph does not limit the ability of a public agency~~
35 ~~to award a contract based on appraiser qualifications, including~~

1 ~~designations, experience, and other factors deemed necessary to~~
2 ~~perform an appraisal on a specific assignment, that exceed the~~
3 ~~qualifications of this paragraph.~~

4 ~~(2) Appraisal methodology to be used.~~

5 ~~(3) Scope of the analysis and level of information provided in~~
6 ~~the appraisal report, including, but not limited to, both of the~~
7 ~~following:~~

8 ~~(A) Verifiable data on the development potential of the land;~~
9 ~~such as what would be required for a development project to~~
10 ~~proceed.~~

11 ~~(B) Reports documenting suspected environmental~~
12 ~~contamination.~~

13 ~~(4) Reference to comparable government and conservation~~
14 ~~transactions when available.~~

15 ~~(5) Age of the appraisal or appraisal update to be reviewed by~~
16 ~~the department to keep an appraisal from being over one and~~
17 ~~one-half years old.~~

18 ~~(6) Appraisal of conservation easements, using the information~~
19 ~~from the “Valuation of Conservation Easements Certificate~~
20 ~~Program” created by members of the Appraisal Foundation and~~
21 ~~the Land Trust Alliance as guidelines.~~

22 ~~(7) Standards for the release of the appraisal review, including,~~
23 ~~but not limited to, both of the following:~~

24 ~~(A) Guidelines to state resource agencies for public disclosure~~
25 ~~requirements.~~

26 ~~(B) Improvement of the legislative notification process for better~~
27 ~~oversight, including, when requested by the Legislature, provision~~
28 ~~of a copy of the appraisal review for a major acquisition before~~
29 ~~the close of escrow.~~

30 SEC. 2. Section 5096.517 is added to the Public Resources
31 Code, to read:

32 5096.517. (a) In addition to any other requirements or
33 standards prescribed by law, appraisal reports prepared for the
34 acquisition of any land or interest therein by or with funding from
35 an “acquisition agency”, as defined in subdivision (a) of Section
36 5096.501, shall include all of the following to be considered for
37 appraisal review by the state:

38 (1) A collection of descriptive photographs and maps of
39 sufficient quality and detail to clearly depict the subject property

1 and any market data relied upon, including the relationship between
2 the location of the subject property and the market data.

3 (2) A complete description of the subject property land, site
4 characteristics, and improvements. Valuations based on a
5 property's development potential shall include:

6 (A) Verifiable data on the development potential of the land.

7 (B) A description of what would be required for a development
8 project to proceed, such as legal entitlements, and infrastructure
9 needs.

10 (C) Presentation of evidence that sufficient demand exists, or
11 is likely to exist in the future, to provide market support for the
12 development.

13 (3) A statement by the appraiser indicating to what extent land
14 title conditions were investigated and considered in the analysis
15 and value conclusion. The appraisal shall also include a preliminary
16 appraisal report when such a report is available.

17 (4) A discussion of implied dedication, prescriptive rights, or
18 other unrecorded rights as described in Sections 801 to 813,
19 inclusive, and Sections 1006 to 1009, inclusive, of the Civil Code,
20 that may affect value, indicating the extent of investigation and
21 any knowledge or observation of conditions that might indicate
22 evidence of public use. If the appraiser has no knowledge of, or
23 has not observed, those conditions, a statement to that effect shall
24 be included in the appraisal report.

25 (5) An appraisal report that includes more than nominal value
26 for specialty interests, including, but not limited to, timber, water,
27 minerals, or carbon credits, shall include a separate valuation
28 prepared and signed by a certified or registered professional
29 qualified in the field of specialty interest. This valuation shall be
30 reviewed and approved by a second qualified, certified or registered
31 professional, considered by the appraiser, and appended to the
32 appraisal report.

33 (b) Each appraisal report shall be prepared by, and include a
34 signature by an appropriately Licensed or Certified Real Estate
35 Appraiser in good standing pursuant to Part 3 (commencing with
36 Section 11300) of Division 4 of the Business and Professions Code,
37 and implementing regulations.

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